EDI Basics

Presented By: Mary Jane Pees
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(614) 692-9408
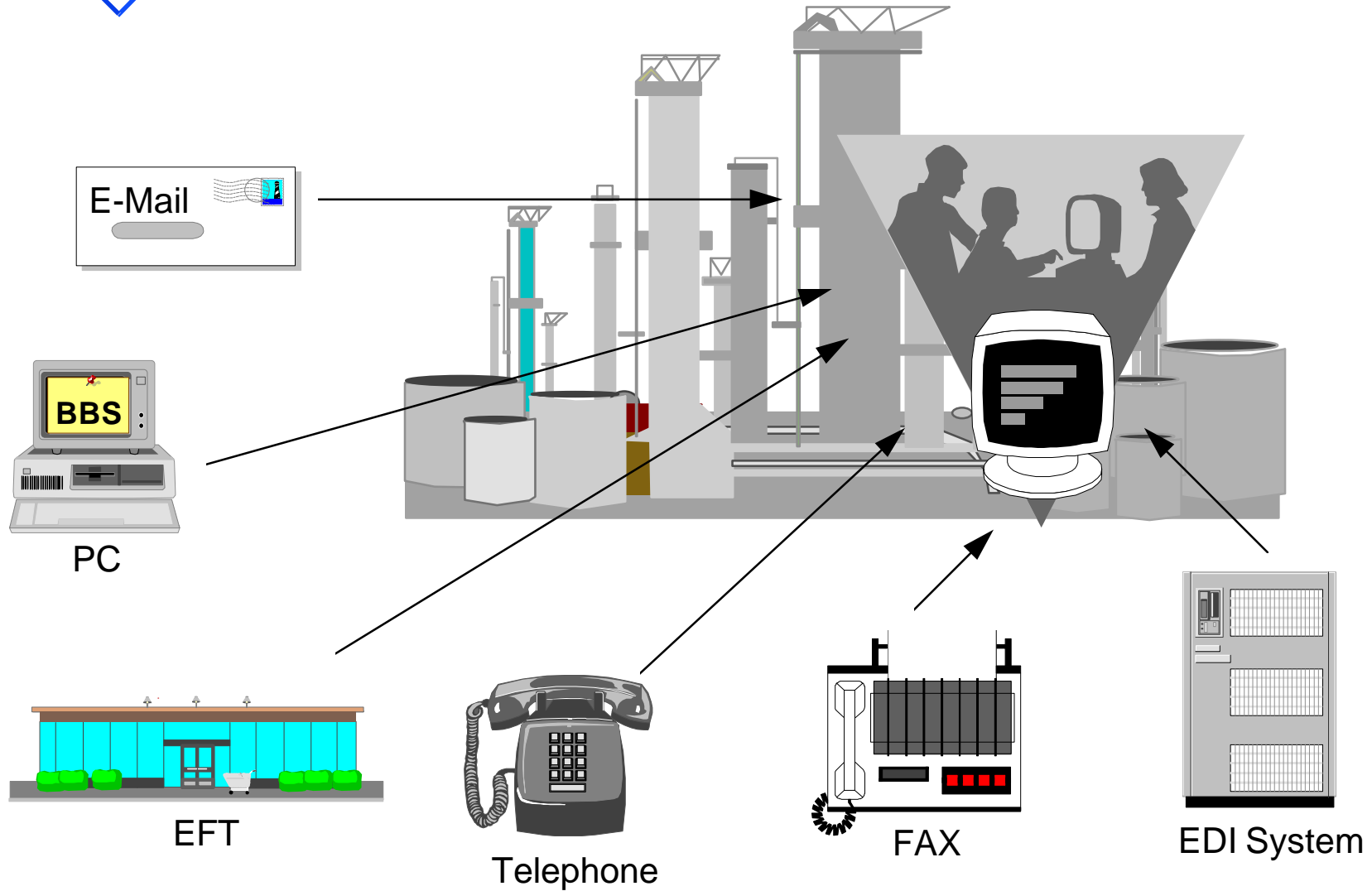
Session Objectives

24 1996

JUNE

Agenda

1. EDI Basics

2. TDEO Support

3. EDI Implementation

4. EDI Success Story:
   Lessons Learned

Electronic Commerce

E-Mail

PC

BBS

EFT

Telephone

FAX

EDI System
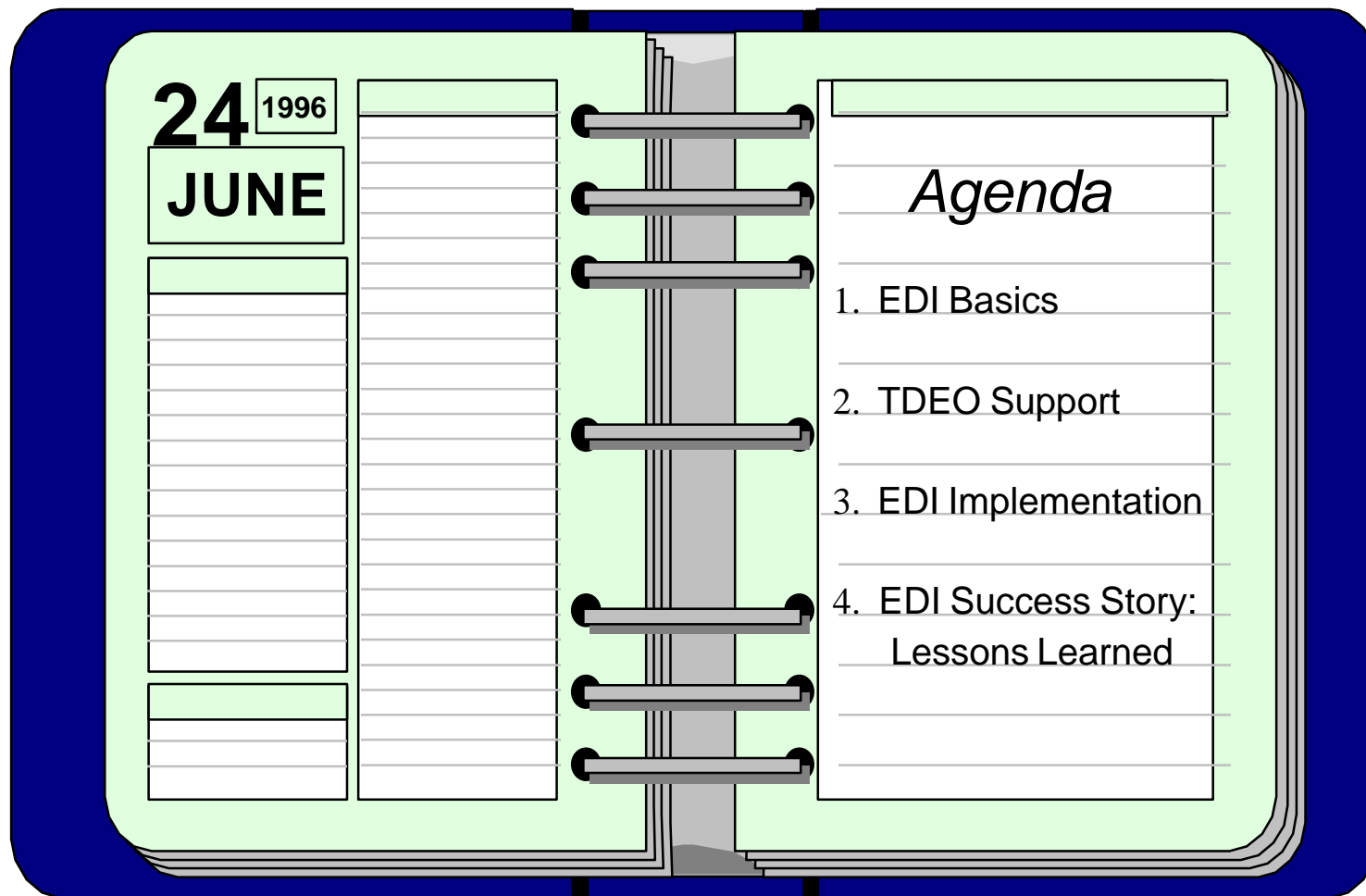
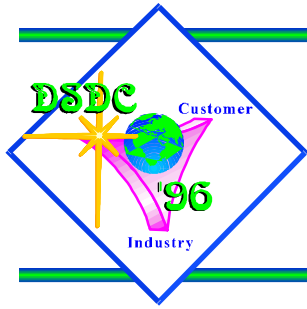# *Electronic Data Interchange*

- EDI is the exchange of structured, standardized, information between computer applications

  Key Points:

  - application to application transfer

  - key business data

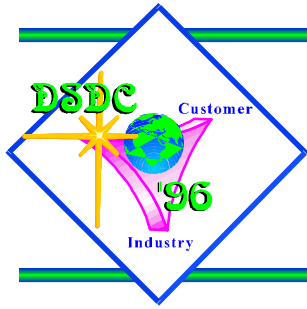 - standard format

  - via communication link

No Manual Intervention

Benefits of EDI

- Increases business opportunities
- Improvements in quality
  - Better record-keeping
  - Fewer errors in data
  - Reduced processing time
  - Less reliance on human interpretation of data
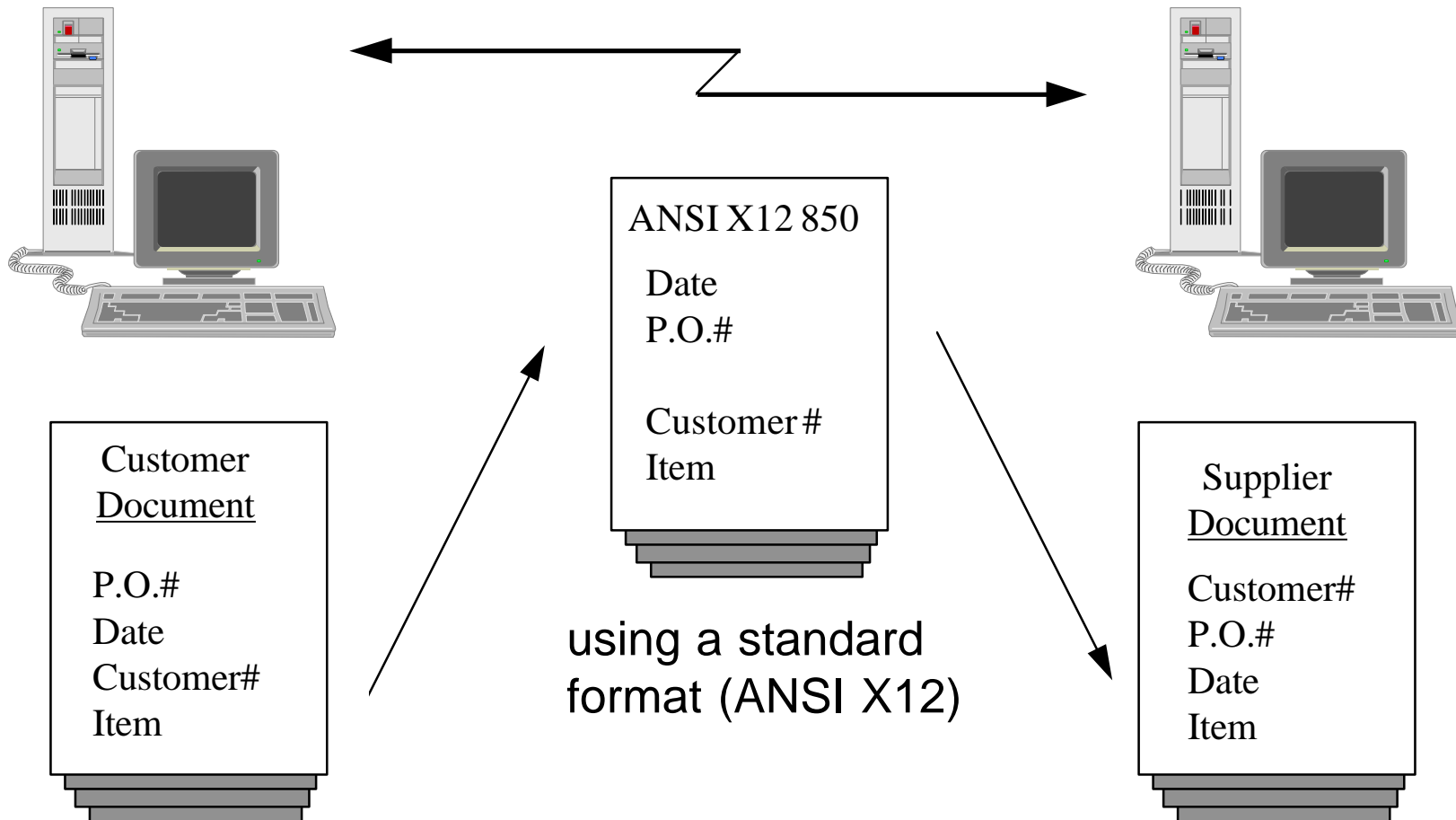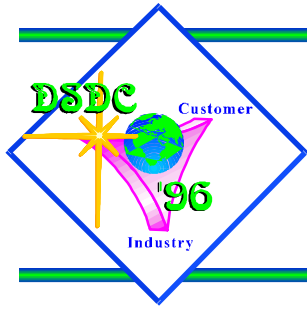 - Minimized unproductive time

Benefits of EDI *(Continued)*

- Reduced inventory

- Lowered mailing costs

- Reduced order time

- Faster billing

- Better information for management decision making

Electronic Data Interchange

ANSI X12 850

Date
P.O.#

Customer#
Item

using a standard
format (ANSI X12)

Customer
Document

P.O.#
Date
Customer#
Item

Supplier
Document

Customer#
P.O.#
Date
Item

EDI Standards

Ispeak Italian and French

TRANSLATION

French

TRANSLATION
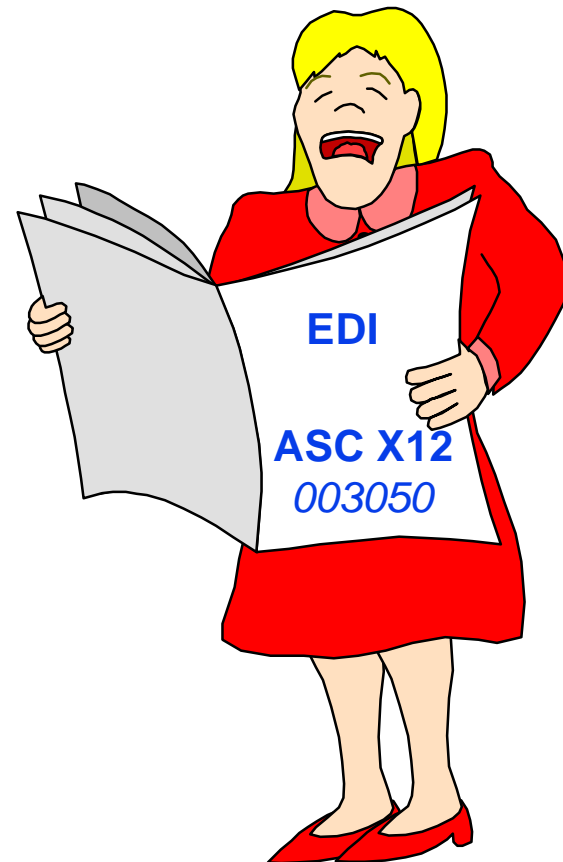
I speak English and French
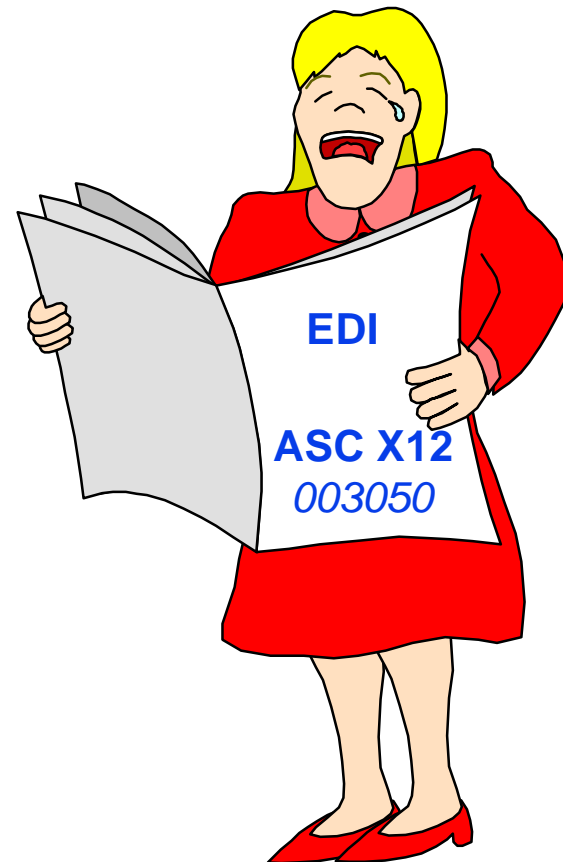
Italian
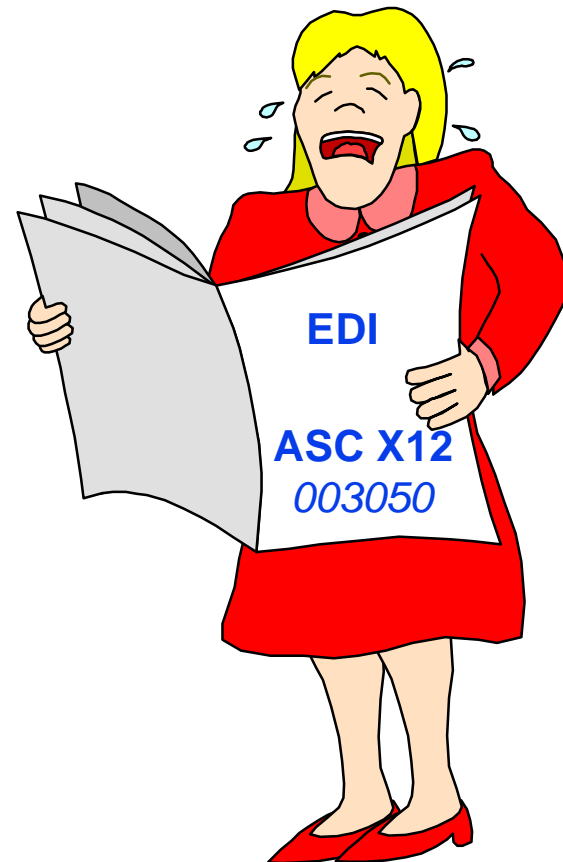
English

Standard Components

- Transaction Set Directories
- Segment Directories
- Data Element Dictionaries

Standard Components

- **Transaction Set Directories**
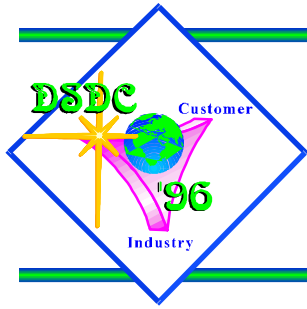
- Segment Directories

- Data Element Dictionaries

EDI

ASC X12
003050

Standard Components

- Transaction Set Directories
- **Segment Directories**
- Data Element Dictionaries

EDI

ASC X12
003050

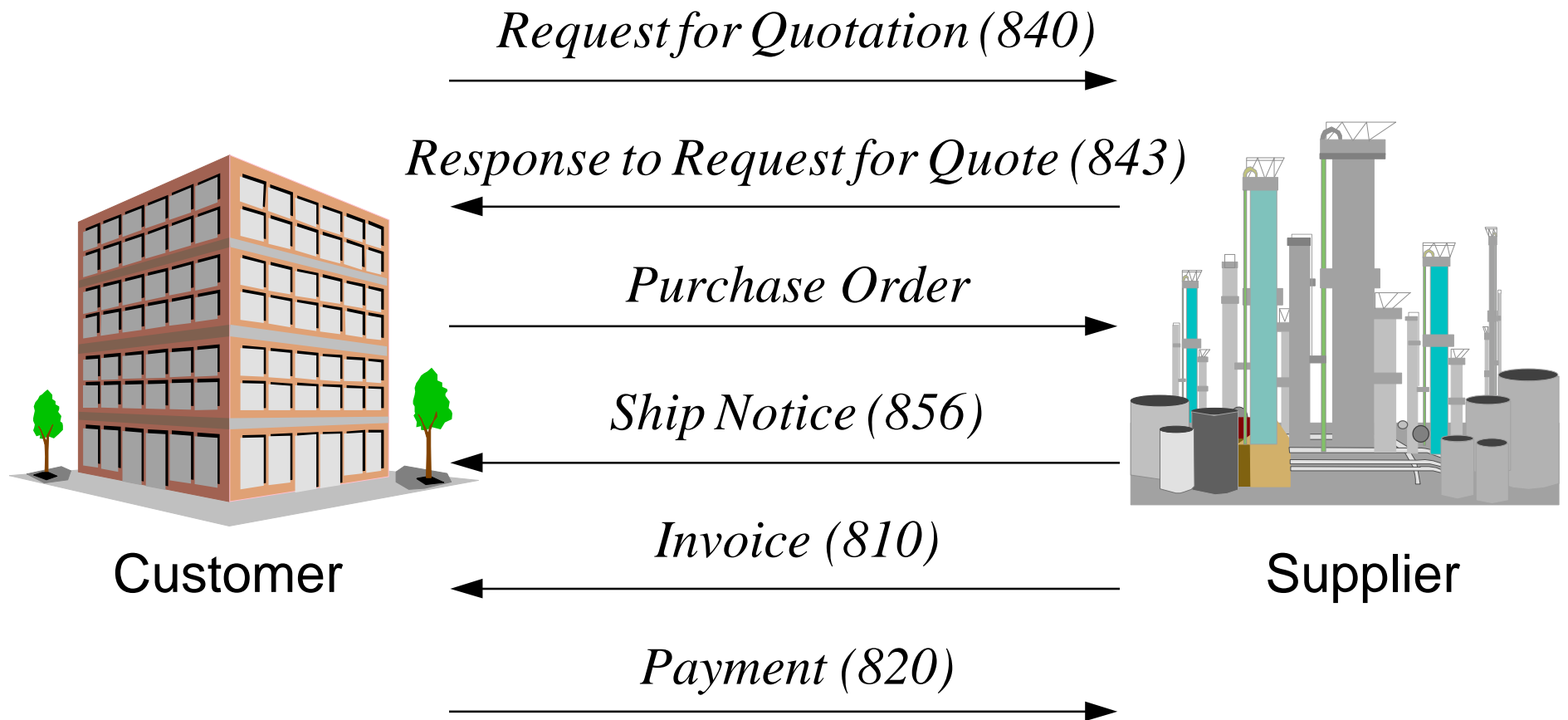# *Standard Components*

- Transaction Set Directories
- Segment Directories
- **Data Element Dictionaries**

EDI

ASC X12
003050

EDI Transaction Flow

Request for Quotation (840) →

Response to Request for Quote (843) ←

Purchase Order →

Ship Notice (856) ←

Invoice (810) ←
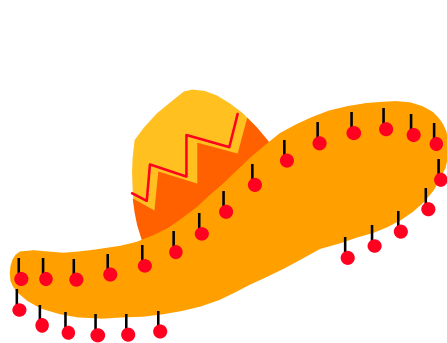
Payment (820) →
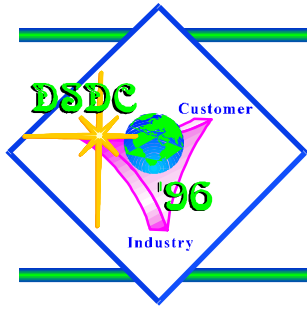
Customer

Supplier

EDI Basics

What you'll need to know:

- EDI Terminology
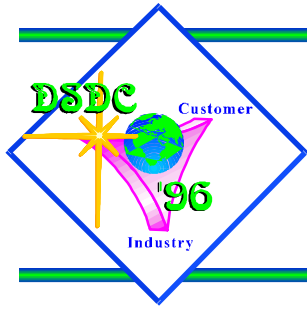- Standards
- Software
- Communications

EDI Basics

EDI Terminology *(Continued)*

- **Application Link** - program which extracts the data from the application's database and may reformat it into what the translator needs and vice versa

EDI Terminology*(Continued)*

- **User Defined File (UDF)**- a file which may closely resemble the application or database and is used to interface with the translator

  - Outbound - you will take the data from your application and put it into the UDF format. The translator will then convert it into X12 format.

  - Inbound - You will receive data in the X12 format. The translator will then translate it into the UDF format.

EDI Basics

EDI Terminology *(Continued)*

- **Translator** - general purpose device that can take the output of any application and "translate" or reformat the data to the required format and structure of the standard and vice versa
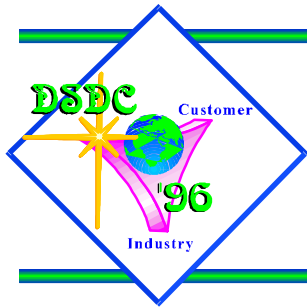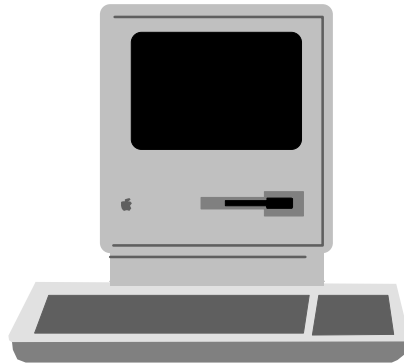
EDI Basics

EDI Terminology

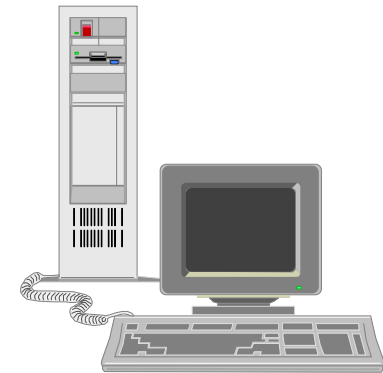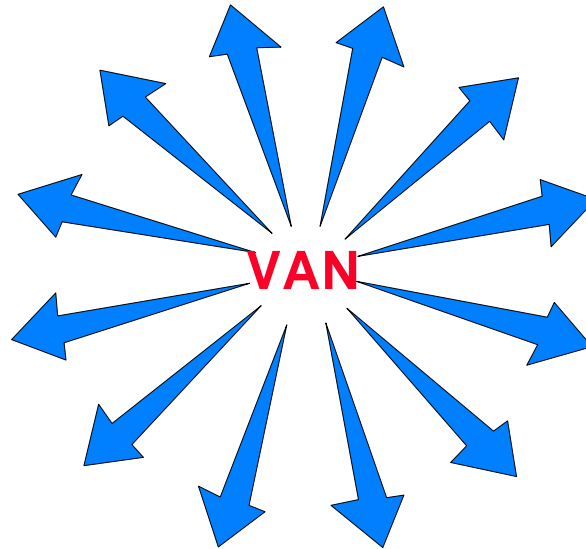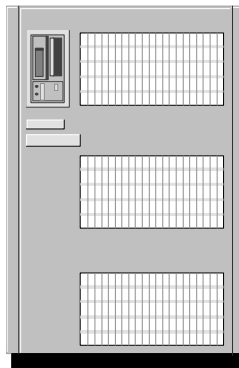- **Trading Partner -** Any organization with whom you exchange information in order to conduct business
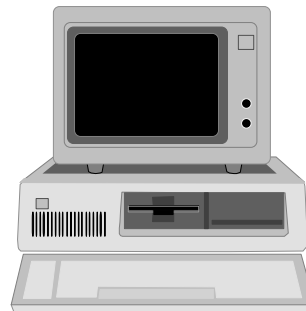
EDI Basics

Customer

VAN

Supplier

Supplier

Customer

VAN

DLA EDI Workflow

Application (AIS)

Application Link

UDF

Gateway
Formatting
Translation
Communication
Archiving

Collection Point

VAN

TP 1

TP 2

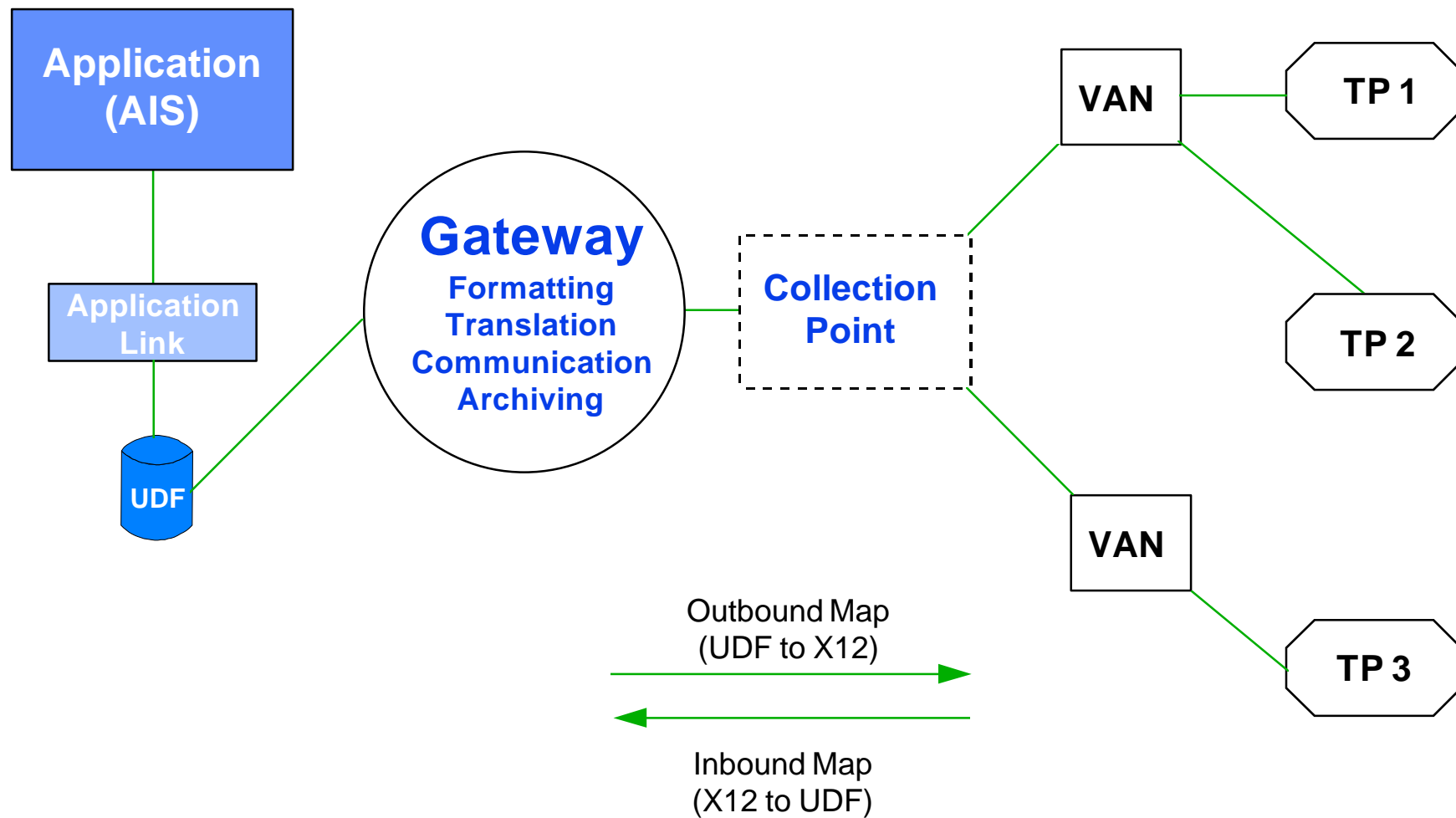**VAN**
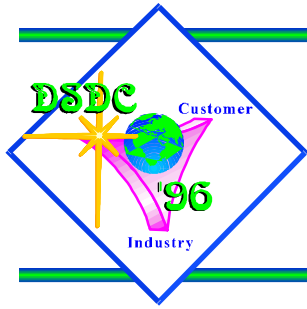
TP 3

Outbound Map
(UDF to X12)

Inbound Map
(X12 to UDF)

20
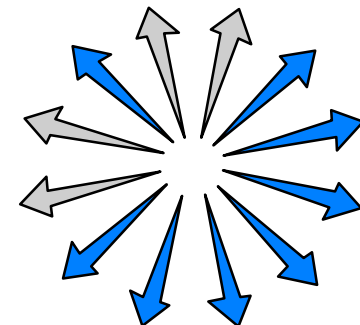
EDI Basics

Trading Partner

- Customer
- Suppliers of Goods
- Suppliers of Services
- Transportation Carriers
- Banks
- Insurance Companies
- Health Care Providers
- Other Government Agencies

EDI Basics

EDI Terminology *(Continued)*

- **Mapping** - An EDI term used to describe the logical and physical process of defining the relationship of proprietary application data fields to their counterpart segments and elements in an EDI transaction set. (A cross reference.)

EDI Basics

Mapping Guidelines

- What information must be exchanged?

- Where is the source information?

- What are the data attributes?

- What are your trading partner's expectations?

- Implementation Guides from your industry or trading partner may "smooth" the way

EDI Support

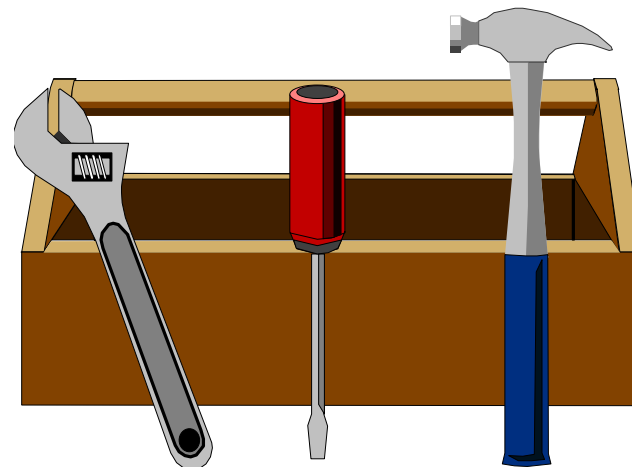**HELP**
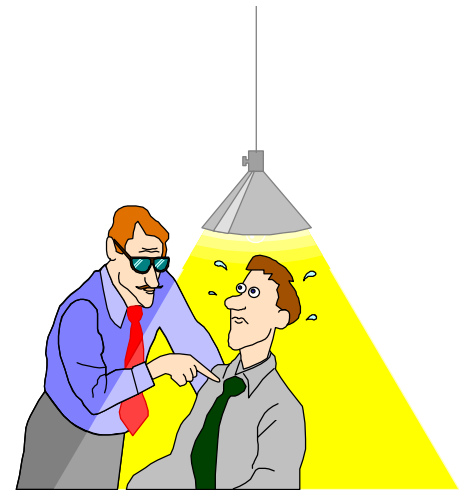
EDI Support

TDEO Support

- Overview of the entire EDI process
- Pre and Post processing of files
- Mapping
- Translation
- Archiving
- Testing
- Communication support
- Problem resolution
- Tool Support

EDI Support

EDI Tool Suite

- DSDC GOTS
- Foresight Product
- Sterling Products

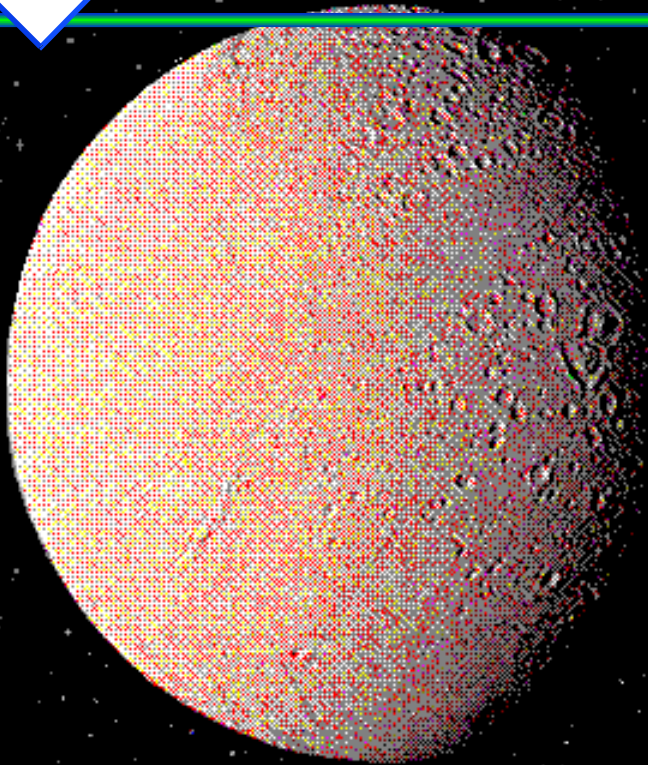**INX** (**IN**formation E**X**change)

- Long history of EDI experience
- Technical staff to assist during implementation
- Services provided:
  - Pre and Post Processing of files
  - Communications
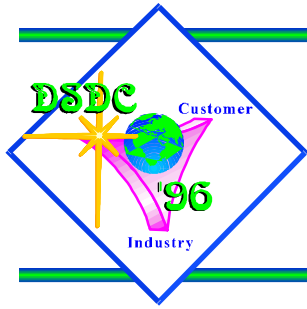 - Translation
  - Archiving
  - Error Logging

EDI Support - "The Next Generation"

Process **A**utomation **T**ool (**PAT**)

- JAVA Language
- Plug-N-Play Architecture
- Windows GUI
- ORACLE 7
- World Wide Web Utilization
- Prototype June '96

EDI Support

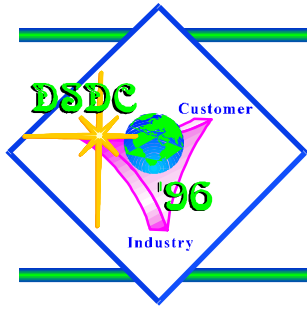**Foresight's Edisim**provides users with a tool which

- Generates local standards

- Generates Implementation Guidelines

- Generates test data (X12)

- Compliance checks

- Analyzes data

EDI Support

Sterling Products

- Gentran:Excel 2.08
- Gentran:Excel 2.10
- Gentran:Mentor

EDI Support

Tool Migration Support

- Translator Excel 2.08 to Excel 2.10

- Platform to Platform

- Standard to Standard

EDI Basics

Where do I go from here?

EDI Implementation

Steps to Implement EDI

- Establish a project team

- Develop business plan

- Identify functional requirements

  - Complete operating concepts

  - Detail data requirements

  - Determine applications systems modifications

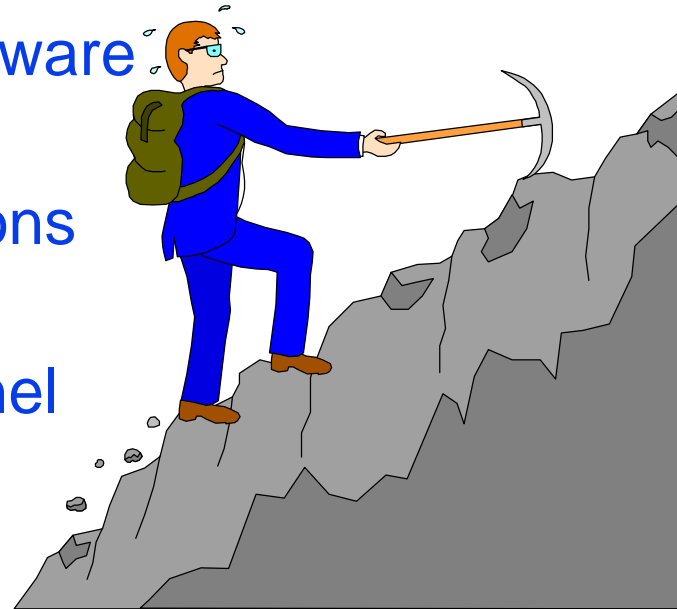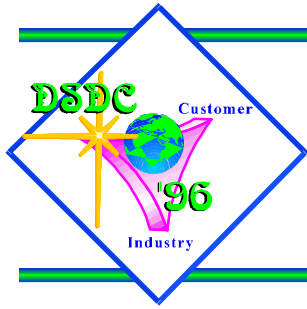 - Identify and resolve business, legal, and security issues

EDI Implementation

Steps to Implement EDI

- Specify operating requirements
  - Review and complete hardware specifications
  - Identify EDI translation software requirements
  - Establish telecommunications strategy
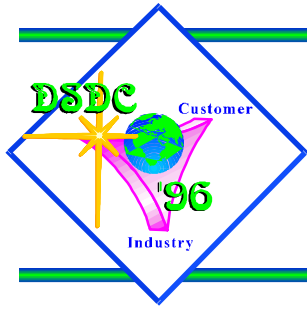 - Identify facility and personnel requirements

EDI Implementation
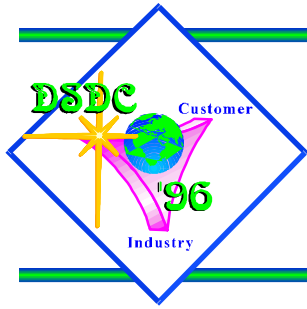
Steps to Implement EDI

- Review EDI standards and conventions
  - Map data requirements to ANSI standards
  - Develop new or modify existing standards
  - Prepare data conventions

EDI Implementation

Steps to Implement EDI

- Integrate and test system
  - Procure and install hardware and software
  - Modify applications systems
  - Develop interface programs
  - Arrange for telecommunications
  - Update operating procedures
  - Train operators
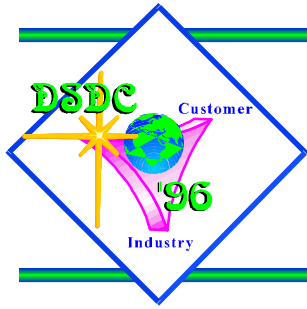 - Test, evaluate, and modify system

EDI Implementation

Steps to Implement EDI

- Establish trading partner relationships
  - develop trading partner implementation strategy
  - prepare and distribute trading partner information
  - solicit trading partners and execute trading partner agreements
- Implement production system

EDI Implementation

What will EC / EDI cost?

- Startup costs
  - Hardware
  - EDI translation and communication software
  - VAN registration and setup (activation fee)
  - Programming modifications
- Ongoing Costs
  - Software maintenance / usage
  - Technical support
  - VAN usage charges

EDI: A Success Story

with
LESSONS LEARNED

by Rod Barnaby

EDI Basics

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